Clinical Policy: Exception to Rule and Limitation Extension

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Coding Implications
Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Description
This policy describes the requirements and processes for Exception to Rule (ETR) and Limitation Extension (LE). When services are denied as non-covered or limited due to benefit restrictions, Apple Health (Medicaid) members are notified of their rights to request an Exception to Rule or a Limitation Extension, as applicable, in addition to standard appeal rights. An eligible member or member's provider may submit an ETR or LE request.

Background
Under Washington law and the Apple Health Integrated Managed Care contract, Managed Care Organizations are required to administer benefits consistent with HCA coverage determinations, applicable Washington Administrative Code (WAC), and Health Technology Clinical Committee (HTCC) decisions.

Policy/Criteria

I. Exception to Rule (ETR) - It is the policy of Coordinated Care of Washington, Inc. and Coordinated Care Corporation to administer Exception to Rule (ETR) requests in accordance with HCA requirements when a requested service is not a covered Medicaid benefit.

A. An **ETR request** may be considered when all the following conditions are met:
- i. The requested service is not covered under applicable Medicaid rules or coverage policies; and
- ii. The enrollee's medical condition or circumstances are different from those of most individuals with the same condition; and
- iii. No other covered, less costly service is available that would adequately meet the enrollee's medical need; and
- iv. The request is submitted prior to delivery of the service, in accordance with HCA requirements.

B. ETR limitations include the following**:**
- i. ETR applies to adult enrollees (age 21 and older).
- ii. ETR does not apply to enrollees under age 21, who are governed by Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements.
- iii. Approval of an ETR does not establish the service as a covered benefit for other members or circumstances.

C. An enrollee may request an ETR concurrently with an appeal of an adverse benefit determination. Submission of an ETR does not extend or replace appeal timelines.

II. Limitation Extension (LE) - It is the policy of Coordinated Care of Washington, Inc. and Coordinated Care Corporation to administer Limitation Extension (LE) requests when a requested service is a covered benefit, but the request exceeds established limits on scope, amount, duration, or frequency.

- **A.** An **LE request** may be considered when all the following conditions are met:
  - i. The service is a covered Medicaid benefit; and
  - ii. The request exceeds limits established in Washington Administrative Code, HCA billing guidelines, or program rules; and
  - iii. The provider demonstrates that the additional services are medically necessary; and
  - iv. The request is submitted prior to exceeding the service limit, in accordance with HCA requirements.
- **B.** LE requests must meet the criteria set forth in **WAC 182-501-0169**, including documentation showing:
  - i. The enrollee is benefiting from currently authorized services; and
  - ii. The enrollee is expected to continue to benefit from the additional services; and
  - iii. The enrollee's condition would likely worsen without the requested extension.
- **C.** An enrollee may request a Limitation Extension concurrently with an appeal, and doing so does not alter appeal rights or timelines.

III. Exclusions and Clarifications

- **A.** Exception to Rule and Limitation Extension processes do not permit deviation from HTCC coverage determinations adopted by HCA.
- **B.** Approval of an LE does not override eligibility requirements, program limitations, or funding restrictions.
- **C.** Approval of an ETR or LE is case-specific and does not establish precedent.

References

1. Washington State Health Care Authority (HCA). **Apple Health Integrated Managed Care (IMC) Contract.** **https://www.hca.wa.gov/assets/billers-and-providers/imc-medicaid.pdf** Accessed 05/22/26
2. Washington Administrative Code (WAC):
   a. **WAC 182-501-0160** (Exception to Rule) https://app.leg.wa.gov/wac/default.aspx?cite=182-501-0160 Accessed 05/22/26
   b. **WAC 182-501-0169** (Limitation Extension) https://app.leg.wa.gov/WAC/default.aspx?cite=182-501-0169 Accessed 05/22/26

Important Reminder

This clinical policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted

standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this clinical policy; and other available clinical information. The Health Plan makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this clinical policy. This clinical policy is consistent with standards of medical practice current at the time that this clinical policy was approved. "Health Plan" means a health plan that has adopted this clinical policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any of such health plan's affiliates, as applicable.

The purpose of this clinical policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable Health Plan-level administrative policies and procedures.

This clinical policy is effective as of the date determined by the Health Plan. The date of posting may not be the effective date of this clinical policy. This clinical policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this clinical policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. The Health Plan retains the right to change, amend or withdraw this clinical policy, and additional clinical policies may be developed and adopted as needed, at any time.

This clinical policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members. This clinical policy is not intended to recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this clinical policy are independent contractors who exercise independent judgment and over whom the Health Plan has no control or right of control. Providers are not agents or employees of the Health Plan.

This clinical policy is the property of the Health Plan. Unauthorized copying, use, and distribution of this clinical policy or any information contained herein are strictly prohibited. Providers, members and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members

and their representatives agree to be bound by such terms and conditions by providing services to members and/or submitting claims for payment for such services.

Note: For Medicaid members/enrollees, when state Medicaid coverage provisions conflict with the coverage provisions in this clinical policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this clinical policy.